



January 14, 2015

Item No. 2

APPROVAL TO AMEND THE HCV ADMINISTRATIVE PLAN TO INCLUDE POLICIES FOR RENTAL ASSISTANCE DEMONSTRATION (RAD) PROPERTIES AND ADOPT THE FORM OF RESIDENTIAL LEASE AGREEMENTS FOR RAD PROPERTIES AND THE RAD GRIEVANCE POLICY

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution approving the attached Chapter 18 of the Administrative Plan that details the policies, processes and procedures related to administering the Rental Assistance Demonstration (RAD) program and the accompanying lease documents and grievance policy referenced in the Administrative Plan amendment.

The Office of the Chief Housing Officer, the Asset Management Department, and the Office of the General Counsel have completed all necessary due diligence to review the policy documents and recommend the approval of these items accordingly.

CORPORATE GOAL

The transition to RAD and the approval of accompanying policy documents supports all three of the primary Plan Forward goals:

Plan Forward Goal #1: Reimagine the final phase of the Plan for Transformation coordinating public and private investments to develop healthy, vibrant communities.

Plan Forward Goal #2: Ensure that CHA's housing portfolio is safe, decent and sustainable.

Plan Forward Goal #3: Expand services to more residents, targeted to their needs, and at critical milestones in their lives.

A specific strategy associated with Plan Forward includes preserving affordable housing units and leveraging private resources (as applicable) through HUD's Rental Assistance Demonstration program while maintaining affordability. The RAD chapter of the Administrative Plan will act as the governing policy document to guide CHA and property management in properly administering processes and procedures related to the RAD program.

FUNDING: Not applicable.

GENERAL BACKGROUND

In 2012, Congress authorized the Rental Assistance Demonstration (RAD) program. RAD provides an opportunity for housing authorities to utilize either project-based voucher (PBV) or project-based

rental assistance (PBRA) contracts to stabilize funding for up to 185,000 units¹ of public housing. A primary goal of RAD is to use long-term contracts to leverage private financing for capital improvements while preserving affordability.

CHA submitted a portfolio application to HUD on October 24, 2013 to transition 10,935 units under the RAD program. At the time of submission, the application was received after the original 60,000 unit cap was reached. While the application has remained in queue, CHA has made several efforts to prepare for RAD implementation, including the following:

- Amended the FY2014 Annual Plan to include high-level RAD policies and key resident protections. The amended plan was approved by the Board of Commissioners on August 19, 2014.
- Maintained ongoing communication with residents and stakeholders, including preparation of a RAD Frequently Asked Questions (FAQ) sheet, presentations at resident council and building meetings, and creation of a RAD webpage and a RAD video.
- Begun the assessments evaluating proposed RAD properties' physical conditions.
- Drafted the larger policy documents outlining the process and procedures associated with properties within the RAD program, including the RAD chapter of the Administrative Plan, RAD lease agreements, and a grievance policy for RAD properties.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) regulations.

The Chief Housing Officer concurs with the recommendation to approve the amendment to the Administrative Plan, and other accompanying documents.

Based upon the foregoing, it is recommended that the Board approve the amendment to the Administrative Plan – inclusive of Chapter 18: Policies for RAD properties, the RAD Lease Agreement, the RAD lease addendum, and the RAD Grievance Policy.

¹ In December 2014, Congress approved an omnibus bill that included an increase in the RAD unit cap from 60,000 units to 185,000 units.

RESOLUTION NO. 2015-CHA-2

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated January 14, 2015 requesting approval to amend the HCV Administrative Plan to include policies for Rental Assistance Demonstration (RAD) properties and adopt the form of residential lease agreements for RAD properties and the RAD Grievance Policy.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners hereby approves the amendment to the HCV Administrative Plan – inclusive of Chapter 18: Policies for RAD Properties.

THAT, the Board of Commissioners hereby approves the documents accompanying the amendment to the Administrative Plan, including the FY2015 RAD Residential Lease Agreement, the Addendum to RAD Lease for RAD Residents in Mixed-Income Developments, and the CHA RAD Grievance Procedure.

